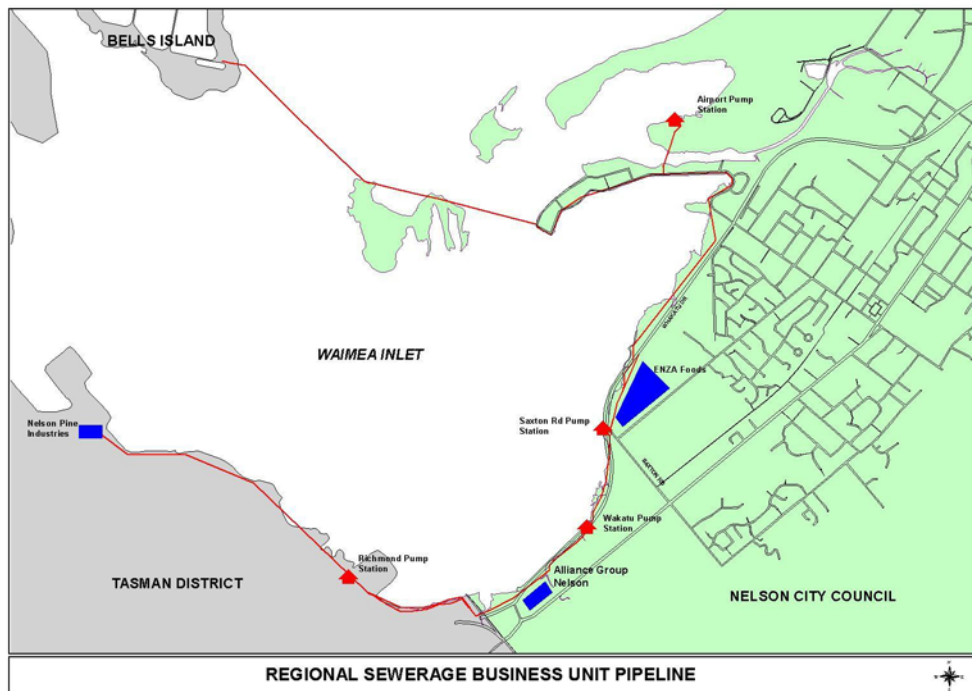


# ANNUAL REPORT

2009/2010



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*Prepared by: Michael Schruer  
General Manager  
NRSBU*

*Adopted*

## INTRODUCTION

This annual report is a review of what has been achieved by the NRSBU in the 2009/10 financial year and its level of performance against key performance indicators.

## THE YEAR IN REVIEW

A significant achievement in the 2009/10 financial year was the construction of the new inlet works, primary clarifier, partial completion of the dewatering facility and the improvements to the hydraulics between the primary clarifier and the ponds that will allow better distribution of loads between the facultative ponds. The process commissioning of the plant is expected to be completed during September 2010.

After much planning and consultation the Regional Pipeline Upgrade project was approved by Nelson City and Tasman District Councils. After considering a report on the options available for increasing the capacity of the treated wastewater outfall a solution was identified, which will achieve the consented capacity of 25,000m<sup>3</sup> per day and allow for future growth at a reasonable cost.

To keep the Board and staff of the NRSBU up to date with technology and trends in the wastewater industry Peter Keller of Opus consultants ran a workshop on anaerobic digestion in April. He provided an overview of the current technology for the treatment of wastewater and solid wastes.

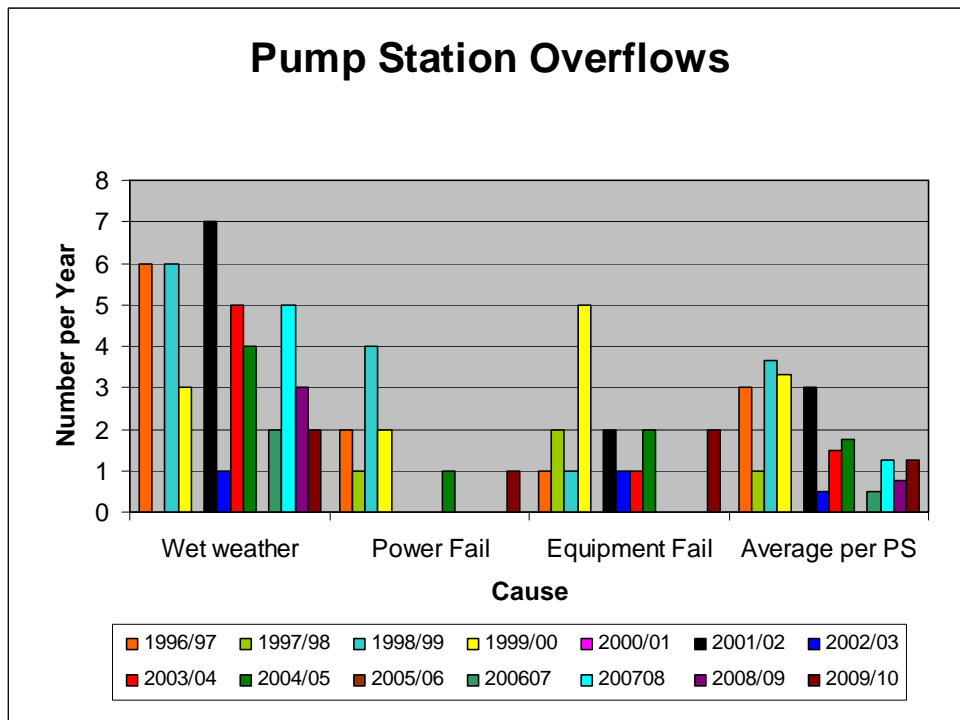
The launching of the NRSBU website in March 2010 is considered to be a major advance in keeping our stakeholders and the public informed of the activities of the NRSBU. The Annual Customer Survey undertaken in March 2010 showed general confidence in the customer service provided by the NRSBU. The results of this survey are discussed later in this document. The open day for Best Island residents were attended by five residents. During the year tours of the NRSBU facilities were conducted with a group of scouts and their parents, a group of IPENZ members, a group of delegates from the Tradewaste conference held in Nelson and a school group from Nelson College.

Health and Safety continues to be a priority. A near miss incident during the year has once again highlighted the necessity for health and safety vigilance. Two Health and Safety audits were conducted during the year and no issues were identified.

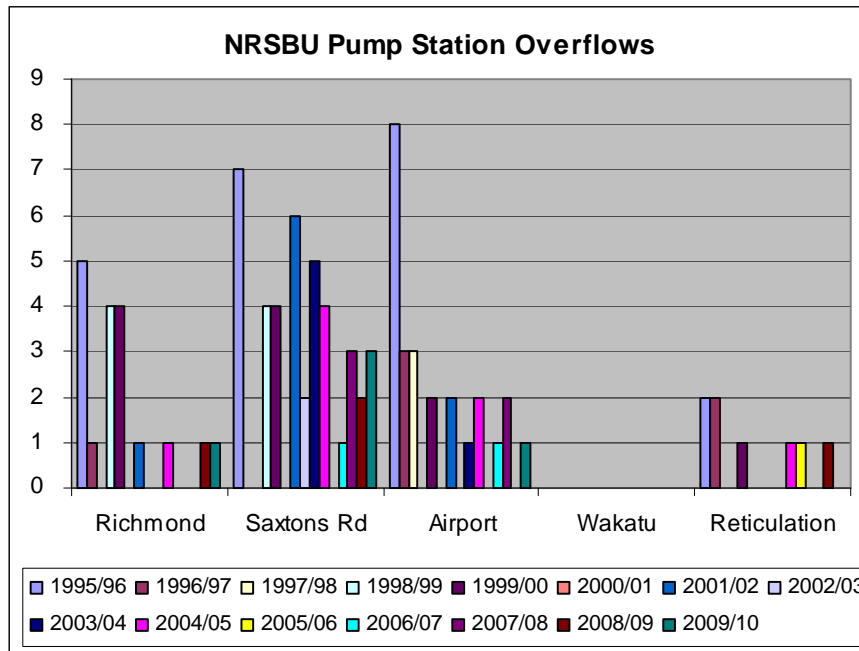
## LEVEL OF SERVICE PERFORMANCE

Category	Level of Service	Comment
<b>Treatment &amp; Disposal</b>		
RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions.	Compliance with the consent has been excellent. Refer Appendix A for summary of the 2009/10 consent compliance.
RMA Consent – Discharge of Contaminants to Air.	100% compliance with consent conditions.	The report on an odour event that occurred at the treatment plant was submitted late as a result of a misinterpretation of what constituted an odour event.

RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions.	Complied with all conditions of consent for the Biosolids application.
Equipment Failure of critical components within the treatment and disposal system.	No equipment failures that impact on compliance with resource consent conditions.	Achieved.
<b>Pump Stations</b>		
Odour complaints from pump stations	No odour complaints originating from pump stations.	No odour complaints were received in relation to the pump stations.
Pump station wet weather overflows	No overflow events occurring for design storm events.	2 overflows resulted from heavy rain events. This situation will be mitigated once the capacity upgrade of the pump stations is completed during 2010/11.



**Figure 2:** Pump Station Overflow Causes



**Figure 3:** NRSBU Pump Station Overflows

Pump station overflows resulting from power failure	No overflow events occurring.	One overflow occurred. This situation will be mitigated once the generators are installed at the four major regional pump stations as part of the regional pipeline upgrade project.
Pump station overflows resulting from mechanical failure.	No overflow events occurring.	2 overflows occurred. One overflow resulted when P3 failed to start at Saxton pump station. This will be mitigated when the upgrade of the telemetry is undertaken as part of the Regional Pipeline Upgrade project. The second overflow occurred when the works on the new inlet took longer than programmed. This situation will be mitigated in future once the second pipeline is completed as part of the regional pipeline upgrade project.

<b>Pipelines</b>		
Reticulation Breaks	No reticulation breaks.	None
Air valve malfunctions	No air valve malfunction that result in wastewater overflows.	None.
<b>Capacity: Treatment and Disposal</b>		
Volume overloading system	Treatment and disposal up to all contracted loads and flows	The treatment plant does not yet have sufficient capacity to meet the demand of the Customers. This will be addressed once the capacity of the plant is confirmed after the completion of the process commissioning of the treatment plant.
	Not to exceed upgraded design of capacity of treatment plant and disposal system in order to comply with resource consent conditions	The 6 hour time and 25,000m <sup>3</sup> /day volume discharge limits on Bells Island discharge were not exceeded.
<b>Capacity: Pump Stations</b>		
Overloading system capacity	No overflows for all pump stations	One overflow each at Beach Road and Saxton Road occurred after heavy rainfall on 29 September 2009. This situation will be mitigated once the pipeline upgrade project is completed.
<b>Reliability: Treatment &amp; Disposal, Pump Stations and Pipelines</b>		
Equipment failure of critical components	No equipment failures that could lead to non-compliance with resource consent conditions	Two equipment failures occurred. This will be mitigated once the regional pipeline upgrade is completed.

<b>Responsiveness: Treatment &amp; Disposal, Pump Stations and Pipelines</b>		
Speed of response for emergency and urgent maintenance works	Achievement of response times specified in the maintenance contract	Complied 100%
Speed of response for routine and programmable maintenance works	Achievement of response times specified in the maintenance contract	Complied 100%
<b>Key Customer Relationships</b>		
Overall satisfaction	Agreed levels of service provided to all customers.	The treatment plant does not yet have sufficient capacity to meet the demands of the Customers.
	Robust charging structure is put in place.	The charging model (CAPM) took effect on 1 July 2007 but penalties will not be imposed until the upgraded treatment plant provides the requested capacity. The CAPM capacities will be reviewed once the capacity of the treatment plant is confirmed after the completion of the process commissioning of the 2008/10 treatment plant upgrade works.
	Contributors are satisfied with sewerage scheme.	Results of the customer survey conducted in March 2010 are shown in Table 1.

## NRSBU Customer Survey Results

How do you rate the following:	Score (1-7)				
	Avg	Low	High	Most Critical	Least Critical
User meetings are a useful forum for the exchange of information between users and staff and for resolving issues	6	6.0	6.0		
Users are kept well informed of issues relating to the Regional Sewerage Scheme, which may affect them	5.3	4.0	6.0		
Feedback to users is prompt and timely	5.5	4.0	6.0		
Data and information on user charges is accurate and provided in a timely fashion	5.5	5.0	6.0	2	
Data and information on monitoring is accurate and provided in a timely fashion	5.8	4.0	6.0	2	
Users are provided with timely and accurate advice on reticulation and treatment plant performances	5.8	5.0	6.0		2
On site services, advice and follow up provided by the contractors is excellent	6.3	6.0	7.0		2
The NRSBU has an excellent working relationship with user representatives	6.5	6.0	7.0	2	
The NRSBU business plan provides clear direction for the operation of the scheme and is relevant	6.0	5.0	7.0		1
The NRSBU provides a reliable system to ensure continuity of service to its Customers	5.8	5.0	7.0	1	
The NRSBU's record of environmental compliance is good	6.0	5.0	7.0	2	
The NRSBU runs a cost effective and efficient operation	5.5	4.0	7.0	3	

**Table 1** Customer Survey

## BUSINESS IMPROVEMENT PLAN

### Business Improvement Objectives

The business improvement objectives are separated into 5 key result areas (KRAs) namely;

- Collection System
- Waste Treatment and Disposal
- Management
- Administration
- Customer Relations

Each of these KRAs is supported by objectives for which there are several strategies and key performance indicators (KPI).



## RETICULATION SYSTEM

**Objective:** To ensure that the reticulation system operated by the NRSBU has sufficient pump and pipe capacity to meet the current and forecast requirements of the customers.

KPI	
No overflows due to design wet weather flows	None.
Confirm Monaco to Bells Island pipeline renewal strategy, design and costing by 30/06/08	The upgrade strategy was approved by Nelson City Council and Tasman District Council and the design report with estimates was received in December 2009. Tenders for the upgrade are expected in October 2010.

**Objective:** To implement appropriate operations, maintenance and renewal strategies to ensure that pumps and rising main pipelines meet their expected economic life.

KPI	
No overflows due to power, system or equipment failures	Three overflows occurred during the year. The additional capacity and flexibility of the network that will be created by the Regional Pipeline Upgrade project programmed for completion in October 2011 will significantly reduce the risk of overflows.
Reactive maintenance is restricted to non-critical components which cannot affect the prescribed levels of service	No major equipment failures this year.

## TREATMENT AND DISPOSAL

**Objective:** To ensure that the waste treatment and disposal systems fully comply with all resource consent conditions in relation to the discharges to air, land and to the Waimea Estuary.

KPI	
No objectionable odour beyond the boundaries of the treatment plant	One odour event occurred when pond F1 was overloaded during cut-in operations during the construction works on the effluent distribution chamber (Chamber C3) and wastewater was directed directly into the pond for 8 days.
Compliance with all limits and conditions in the resource consents	Complied with. The Capacity Upgrade of the outfall programmed for completion by March 2011 will provide additional flexibility to manage pond levels and prevent reduce risk of non-compliance.

**Objective:** To ensure that the scheme has sufficient treatment and disposal capacity to manage current and forecast increases such that the scheme provides for its customers in a cost effective and sustainable manner.

KPI	
Treatment capacity for each major component is not exceeded	Awaiting the capacity verification tests of the 2008/10 upgrade of the treatment plant before this is monitored as there are some capacity issues with the plant.
Coastal Permit limits are not exceeded	100% compliance with the Coastal Permit limits (refer Appendix A).
Sufficient land is available for the beneficial disposal of all biosolids	Sufficient land is available for the immediate future. The Resource Consent allowing the NRSBU to apply biosolids after planting and at the increased application rate works well. This practice extends the capacity of the Rabbit Island plantation such that the NRSBU has an 18 month planning horizon to review biosolids application and the nitrogen management at Bells Island.

**Objective:** To ensure that as much of the treated effluent as possible from Bells Island is re-used to the benefit of the environment.

KPI	
All biosolids produced at the Bells Island plant are applied to plantation forest or used as compost or other beneficial re-use to soil.	Achieved.
Part of the treated wastewater currently discharged to the estuary is used for irrigation by 2016	49,216m <sup>3</sup> of treated wastewater was used for the irrigation of pasture land on Bells Island during the past year. Nelson City Council has approved the funding subject to commitment from Nelson Golf Club for a pipeline from Bells Island to Monaco that will facilitate the re-use of wastewater treated at Bells Island in the Tahunanui area in Nelson. A treated wastewater irrigation system is being considered by the Nelson Golf Club, Nelson Parks and Reserves and the Greenacres Golf Club.

## MANAGEMENT

**Objective:** To ensure that all assets are operated, maintained, renewed and upgraded in a sustainable and cost effective manner so that they continue to provide the prescribed Levels of Service for all customers.

KPI	
Aim to be ranked in the top 80% of local authorities' for benchmarking when such a system becomes operative	In the absence of a viable benchmarking process the NRSBU will identify 6 wastewater treatment plants that have similar attributes and systems as the Bells Island treatment plant and seek to co-operate with them to develop a benchmark for the Bells Island Operation.
Asset Management Plan Levels of Service are achieved consistently	Compliance with the levels of service is good, as shown earlier in this report.
Uninterrupted service at contracted loads is provided to customers	No interruptions to service this year.
Upgrade strategy for the treatment plant over the next 12 years is implemented as approved by the Owners (NCC and TDC)	The upgrade of the treatment plant to create the contracted capacity was completed in June 2010 and the Regional pipeline upgrade project to increase the capacity of the network and to mitigate the risk of failure of the existing pipeline is well advanced.

**Objective:** To implement a charging structure that properly reflects both the short and long term costs to the NRSBU of any particular source of effluent, in terms of capital, plant maintenance, operational and administration costs.

KPI	
<p>Costs of operating the scheme are recovered</p> <p>Annual calibration of all monitoring equipment</p> <p>Annual review of sampling and test procedures</p>	<p>A Cost and Pricing Model (CAPM) has been included in Customer contracts to recover fixed (capital) and variable (operational) costs.</p> <p>Flow meters were calibrated in May 2010 and audits of monitoring, sampling and analysis procedures were carried out by Cawthron in September 2009.</p>
Analysis of flows and loads from Customers and into the treatment plant on a mass balance basis	Analysis of flows and loads is undertaken as part of the Annual Plan reporting process and are included in this report.

**Objective:** To undertake risk assessments and develop contingency plans to ensure the impact of any abnormal or emergency event is minimised.

<b>KPI</b>	
Risk review to be completed annually by 31 March	Undertaken as part of the review of the Asset Management Plan.
Review Emergency Spillage Contingency plans and Alarm Procedures by 31/12/08	The pipeline failure contingency plan was reviewed as part of the pipeline upgrade strategy project and further enhanced with details of suppliers and contractors. A pipe failure scenario was tested with contractors in January 2009 to trial the contingency plan and equipment. The necessary equipment has been purchased and is stored at Bells Island.

**Objective:** To ensure that the organisation makes every effort to be fully informed on issues, current and future technology and trends in the industry.

<b>KPI</b>	
Operators and staff attend conferences and/or training annually	The Wastewater Engineer and the Treatment Plant Supervisor attended the annual NZWWA conference in September 2009.
Operators are qualified to the standard identified in O&M contract	Operators meet the requirements of the contract and attend NZWWA conferences on a rotation basis.
General Manager is actively involved in the NZWWA (Now Water New Zealand) and Water Managers' Group	The General Manager is involved in the Water Services Manager's Group but has not attended any of their meetings this past year.

**Objective:** To optimise costs of operation and maintenance of the NRSBU through effective management of contracts.

<b>KPI</b>	
Bells Island is inspected at least monthly by the General Manager	Regular site visits are undertaken, at least monthly and the Wastewater Engineer visits the site on a regular basis.
All contracts with a value exceeding \$5,000 are competitively tendered unless specifically approved by the Board	All tender procedures are complied with unless specifically approved by the Board.
Tenders are evaluated using a weighted attributes methodology	All advertised tenders are evaluated using weighted attributes methodology.

## ADMINISTRATION

**Objective:** Effective financial management.

KPI	
O&M expenditure is within $\pm 5\%$ of annual budget	O&M: 6% under budget. Less reactive maintenance work occurred than what was budgeted for.
Capital expenditure does not exceed budget without owner's (NCC and TDC) approval	Achieved.
Clear audit of annual accounts	Final audited accounts for 2008/09 were received by the Board.

**Objective:** To provide the Board and Owners with up to date, co-ordinated and comprehensive financial management information.

KPI	
The Board are provided with current financial information monthly	Monthly reports are circulated to Board members as they are available.
Owners are provided with current financial information quarterly	The quarterly meeting agenda with reports and financials are sent to Nelson City Council and Tasman District Council.
Draft annual accounts are presented to the Board for approval by 31/08/2009 and unqualified audited annual accounts and management reports are distributed within statutory timeframes	The Draft Annual Report for 2008/09 was presented to the Board on 15 September 2009.  Audited accounts were presented to the Board on 6 November 2009.  The Annual Report for 2008/09 was signed on 29 September 2009 and sent to NCC and TDC.

## CUSTOMER RELATIONS

**Objective:** To develop and maintain good working relationship with all Customers and keep Customers informed of developments with the Regional Sewerage Scheme to enhance and optimise the overall performance of the Regional Sewerage facilities.

KPI	
All Customer contracts are renegotiated and signed before proceeding with upgrade projects	Customer contracts have been signed.
Convene quarterly major Customer's meetings	Due to changes to the administration of the NRSBU the Customer meetings before the March 2010 Joint Committee meeting did not take place.

Advise Customers of monitoring results monthly	Monthly monitoring results are circulated to the five major Customers.
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### CAPITAL EXPENDITURE

Renewal Plan (\$,000)	Budget	Actual	Comments
Miscellaneous	20	0	Scada implementation delayed
Pump Stations and Rising Mains	40	0	Replacement of valves not required
Biosolids tank	0	52	Renewed tank 4 and installed mixing capacity
Solids Handling	8	0	Replacement of gearbox and motor for foam cutter in ATADs was not required
<b>Total =</b>	<b>68</b>	<b>52</b>	

Upgrade Plan (\$,000)	Budget	Actual	Comments
New R/M and P/S Richmond to Bells Is	2,000	817	Delay in procurement of pumps and associated items due to reprogramming of the project.
Liquid waste receiving facility		18	Carry over
Primary Clarifier	5,027	4,372	Savings resulting from deferring the installation of covers over the launder of the primary clarifier and the delay in invoicing for works completed by contractors. The saving is carried over to 2010/11.
Outfall Capacity Upgrade	1,000	62	Delay in project
<b>Total =</b>	<b>8,027</b>	<b>5,269</b>	

## COMMENT ON NRSBU SCHEME TRENDS

Load and flow trends for the NRSBU scheme are shown graphically in Appendix B.

The first 2 graphs show the 2 day average peak and 95% 2 day average peak inlet loads to the plant. The BOD load does not vary significantly and the Suspended Solids load appears to be flattening out.

The Peak Month Average Daily Flow (which is dependent on the rain received in the Catchment) and Average Daily Flow graphs show that inflow management continues to be of concern. The Average Daily Flow graph shows that the inflows into the plant are well within the resource consent limit of 20,000m<sup>3</sup>.

The Peak Outfall Nutrient Levels and Annual Average Nitrogen graphs show that the increases that were observed last year were maintained. This is likely to be related to the increase in the Average Daily Flow over the same period resulting from storm water entering the network. The increase in nutrients in the effluent is likely to be associated with the increased storm water inflow into the network as well as the resultant decrease in pond retention time.

The final graph, Biosolids Application Trends, shows a flattening off of biosolid production. This graph also shows that there is adequate land available for biosolids application at the current rate of biosolid production.

Appendix C is an overview of the performance of each of the Customers of the scheme and the current limits - not those proposed for the new Customer contracts following the verification of the capacity of the upgraded treatment plant (primary clarifier, inlet screening and biosolids thickening). The "Inlet" shows that the design capacity of the upgraded plant was exceeded on two occasions. The 95% values for the "Inlet" exceeded the current capacity but are well within the design capacity of the 2008/10 upgrade and demonstrate the need for the 2008/10 upgrade of the plant.

Trend analyses of individual contributors show that

- NCC has shaved a considerable amount off their maximum and 95% flows while their average flow has stayed reasonably stable over the last three years. Maximum and 95% BOD and SS loads have decreased and average loads have stayed reasonably stable over the same period. This indicates improvements in infiltration control and enforcement of Trade Waste Bylaws in Nelson.
- The combined flows for TDC have shown a moderate decrease in the maximum over the last few years and an increase in 95% and average flows. The maximum, 95% and average BOD and SS loads have increased indicating growth in the area.
- All three industrial contributors have shown continued decreases in maximum and 95% flows. Enzafoods have shown a decrease in average flows while the other two have shown a reasonably stable pattern over the last three years. While the individual average BOD and SS loads of the industrial contributors were variable over the last three years the combined average loads have stayed consistent. All three industries have exceeded their quotas on a number of occasions.

The advantage of customers forming "risk clubs" is clear when comparing the sum of customer loads to individuals exceeding purchased quota.

Appendix D is an overview of the contributor conformance with Trade Waste Bylaw limits on heavy metals and other substances.

## **FINANCIAL PERFORMANCE**

The net surplus of \$1,836,000 exceeded the budget by \$962,000 due to-

- Increase in revenue from contributors of \$451,000 as a result of the 2009 revaluation
- Net forestry income of \$132,000
- Decrease in net interest paid of \$408,000 as a result of delays in the upgrade work. The positive cash flow position during the year enabled the NRSBU to partially fund capital projects during the year
- Electricity is \$69,000 more than budget due to price increases and the delay in commissioning the Primary Clarifier.
- Increased depreciation of \$169,000 as a result of the 2009 revaluation.

The surplus above the budget has been returned to the owners.

## **CONCLUSION**

There were two key areas of focus for the Business Unit during the 2009/10 year; the first was the major upgrade of the plant, which is now largely complete and is due to be commissioned in September 2010.

The second major project is the laying of a new pipeline from Monaco to Bells Island and approval was gained from TDC and NCC to proceed with this. The high level of consultation during the planning stage has enabled the consent process to proceed as quickly as possible. The current pipeline across the estuary is considered high risk and, whilst a contingency plan is in place to deal with any failure should it occur, we are anxious to avoid any delay.

Once again I would like to thank the staff and the board members for their commitment to the success of the Regional Scheme and the spirit of co-operation which they have all brought to the work.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

Donna Hiser  
Chair NRSBU



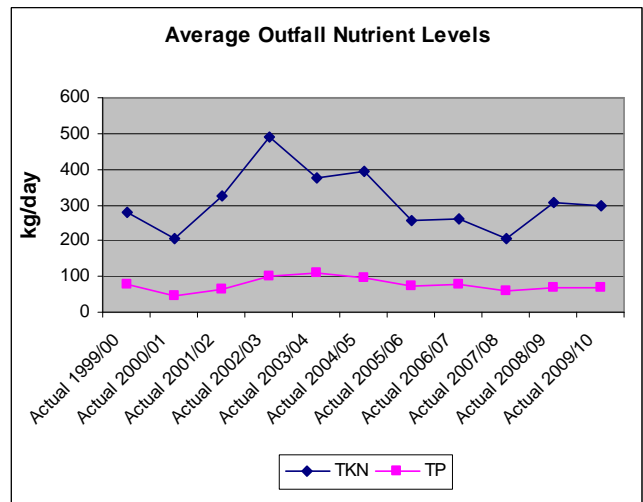
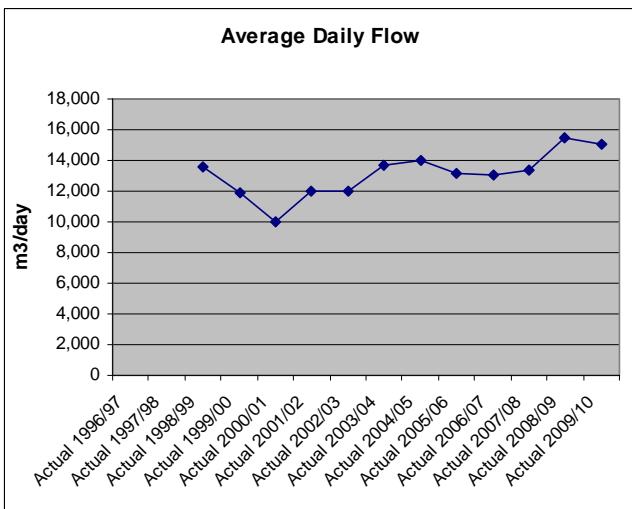
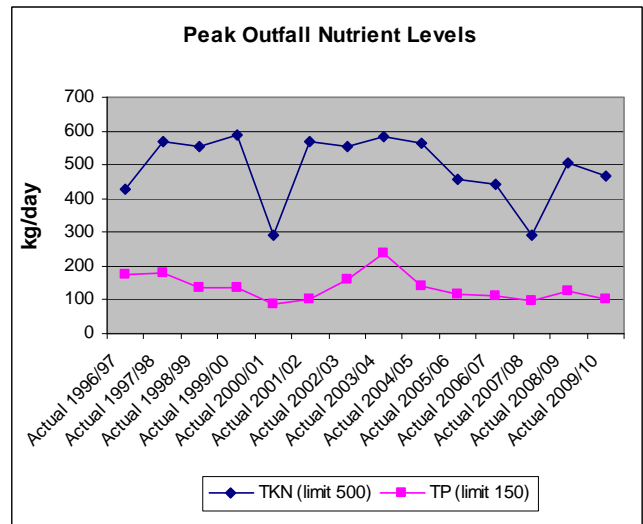
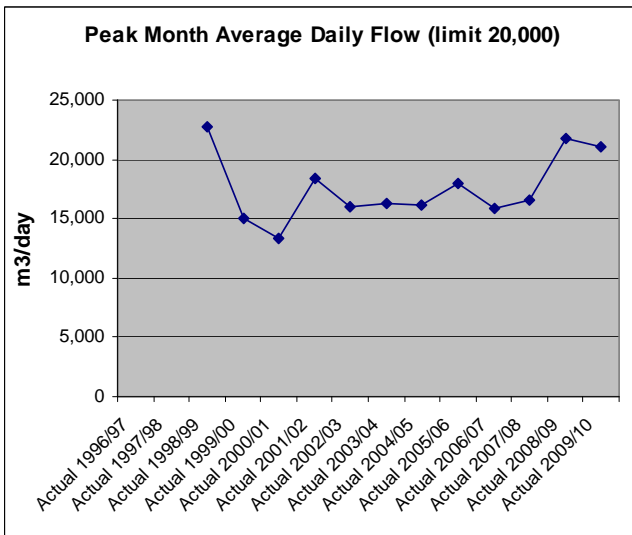
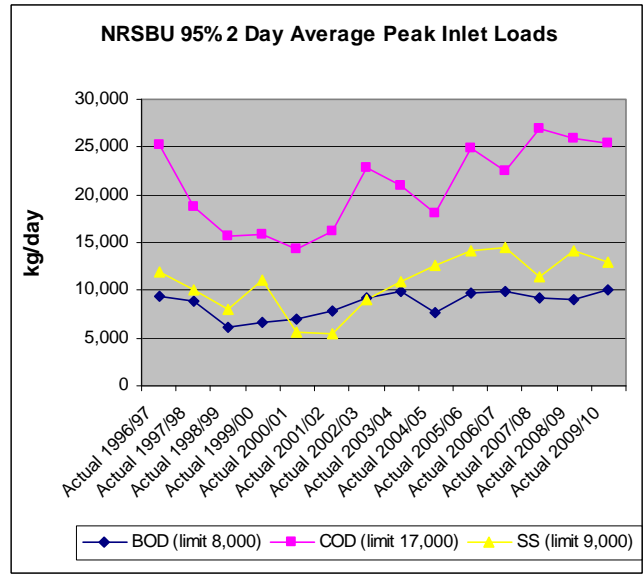
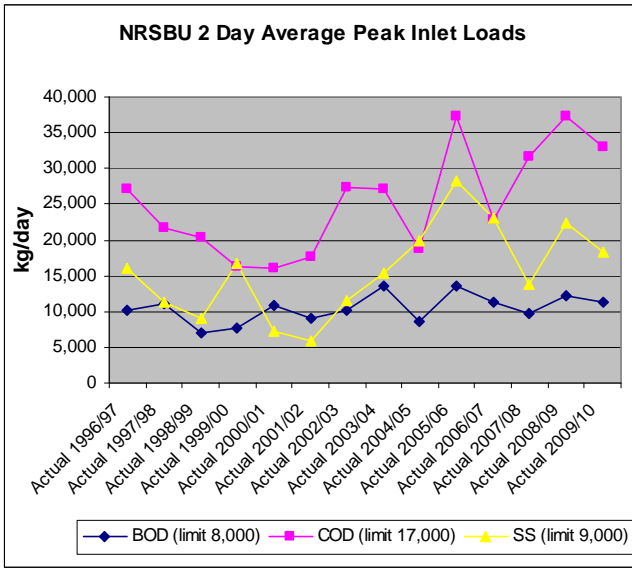
**Discharge Consent Compliance**

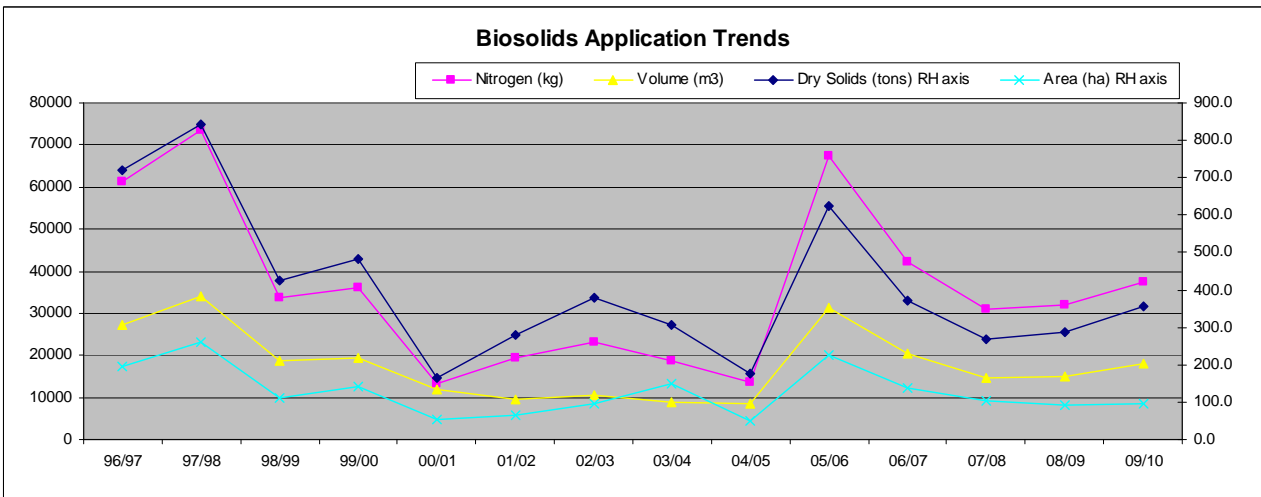
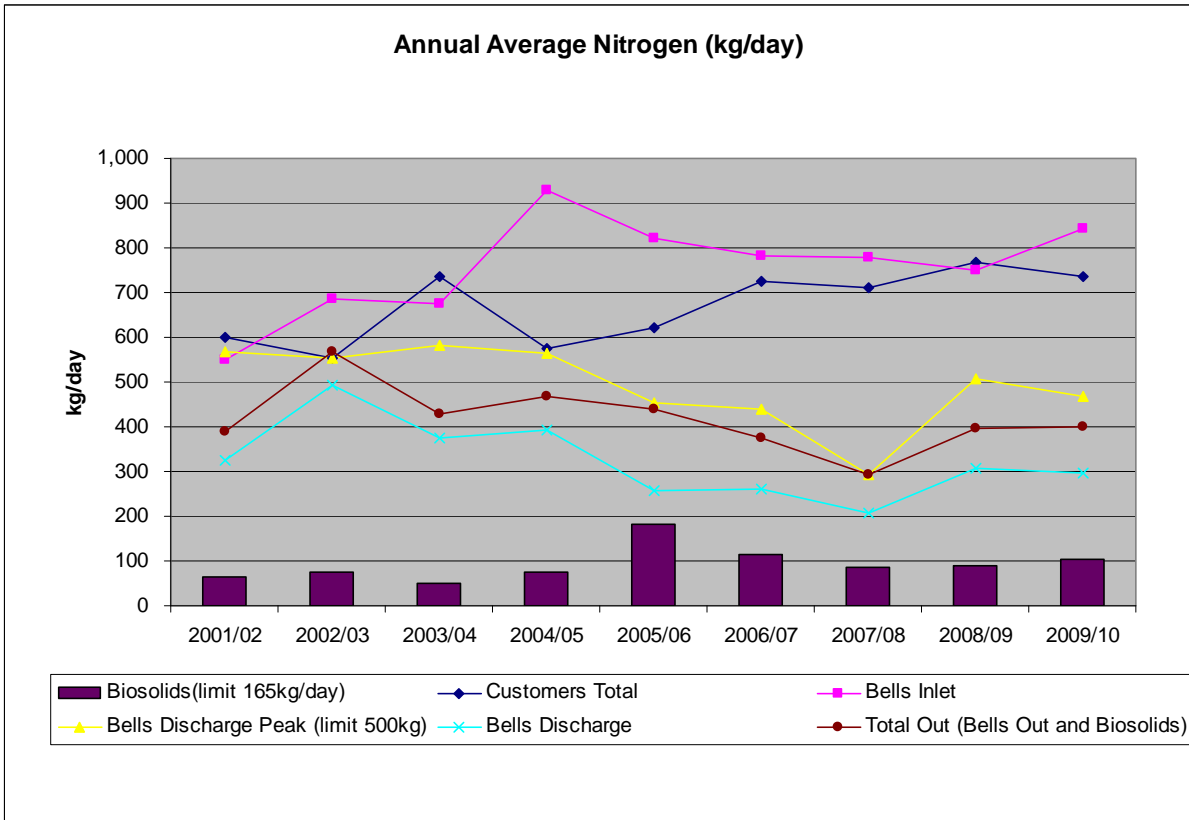
**Regional Sewerage Scheme - Coastal Permit RCAC 0431  
Bells Island - Effluent Test Results (Current)**

Month	Average Daily Inflow m3/day	Average Daily Discharge			BOD5 g/m3	Suspended Solids g/m3	Total Nitrogen kg/day	Total Phosphorous kg/day	Faecal Coliforms MPN/100ml	Enterococci MPN/100ml
		hrs/day	m3/day	Meter Diff (%)						
Limit	20,000		20,000	5.00	50	150	600	150	100,000	
Jul 09	13,670	3.9	11,874		7	11	285	65	6300	225
					9	14	285	66	500	150
					9	11	261	62	740	40
					8	14	261	50	1600	140
					8	11	261	62	940	120
Aug 09	17,236	4.3	13,616		10	12	300	71	260	20
Sep 09	17,579	4.9	17,090		9	13	342	77	100	60
Oct 09	21,119	5.6	19,757		7	7	395	97	160	40
Nov 09	12,851	4.0	13,516		9	13	311	68	75	10
Dec 09	12,286	2.3	7,687		10	9	292	49	500	340
Jan 10	13,201	2.9	9,311		15	34	307	66	4600	4400
Feb 10	12,306	3.1	9,429	3.00	12	62	368	94	1600	6400
Mar 10	11,800	2.2	6,346		19	78	178	50	3400	2800
Apr 10	11,656	2.8	7,536		31	86	271	74	780	160
May 10	15,742	4.4	12,305		14	39	468	103	1800	400
Jun 10	20,645	5.3	12,305		12	23	345	69	11000	240
	15,008		11,731	3.00%	10	14	296	67	860	155

<b>Test</b>	<b>Results</b>	<b>Limits</b>	<b>Comments</b>
Median Faecal Coliform Count	860 /100ml	<b>&lt;20,000 /100ml</b>	O.K
No of samples over 100,000/100ml	0	<b>&lt;6.25%</b>	O.K
Median BOD5	10 g/m3	<b>&lt;40 g/m3</b>	O.K
No of samples over 50 g/m3	0	<b>&lt;6.25%</b>	O.K
Median Suspended Solids	14 g/m3	<b>&lt;100 g/m3</b>	O.K
No of samples over 150 g/m3	0	<b>&lt;6.25%</b>	O.K
1 April - 31 July			
Median Total Nitrogen	278 kg/day	<b>&lt;500 kg</b>	O.K
No of samples over 600 kg	0	<b>&lt;12.5%</b>	O.K
1 Aug - 31 March			
Maximum Total Nitrogen	395 kg/day	<b>&lt;600 kg</b>	O.K
No of samples over 500 kg	0	<b>&lt;12.5%</b>	O.K
Maximum Total Phosphorous	103 kg/day	<b>&lt;180 kg</b>	O.K
No of samples over 150 kg	0	<b>&lt;6.25%</b>	O.K
Mean Daily Flow	11,731 m3	<b>&lt;20,000</b>	O.K

NRSBU Scheme Trends





## Customer Performance

## Contributor analysis 2 Day Average July 2009 to June 2010

Date	Inlet (Capacity before upgrade)				Sum of Contributors				ENZAFOODS				Alliance				NPI				TDC			
	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)
<b>Limit</b>	17,142	7,947	15,894	9,477	24,890	12,410	27,262	11,970	1,450	700	2,200	2,000	1,450	1,100	2,400	700	1,140	3,300	7,387	1,500	11,150	3,310	7,275	3,820
15-Jul-09	11,631	6,628	18,011	9,818	12,014	4,998	11,805	4,480	864	440	1,176	581	73	0	0	0	714	1,586	4,133	444	4,760	1,262	2,644	1,431
16-Jul-09	12,034	6,745	16,262	8,609	12,343	5,468	13,760	5,073	960	594	1,517	711	362	147	586	290	785	1,762	4,510	338	4,698	1,117	2,692	1,332
17-Jul-09	12,642	8,365	21,573	10,972	12,877	6,637	15,740	4,945	1,059	755	1,780	827	682	333	1,131	473	851	2,358	5,072	332	4,801	1,118	2,842	1,337
11-Aug-09	12,852	5,903	17,362	8,487	13,057	5,220	12,832	5,465	1,041	478	1,529	1,219	398	216	487	197	758	2,352	5,128	950	5,453	946	2,453	1,603
12-Aug-09	12,699	5,949	17,163	7,465	12,735	5,284	12,210	5,244	801	439	1,575	1,262	642	396	835	316	697	2,024	4,216	707	5,271	963	2,383	1,585
13-Aug-09	12,502	5,740	14,984	6,697	12,949	5,893	13,529	5,783	779	465	1,625	1,669	697	460	975	359	756	2,072	4,490	588	5,384	1,069	2,339	1,582
09-Sep-09	15,258	7,986	18,650	8,558	16,005	7,768	16,758	6,468	934	831	2,331	1,399	520	359	675	249	878	3,105	6,526	1,187	7,156	1,390	2,917	1,655
10-Sep-09	14,553	7,441	18,259	8,976	14,988	6,965	15,430	6,079	785	642	1,991	1,285	381	205	512	181	836	2,805	5,942	892	6,713	1,600	3,116	1,866
11-Sep-09	14,324	6,446	15,760	8,741	14,866	6,184	14,321	5,558	975	595	2,296	1,751	575	297	764	251	888	2,959	6,017	817	6,297	883	1,671	1,017
06-Oct-09	18,305	5,152	16,445	7,979	18,517	7,110	20,231	8,712	362	189	618	405	691	359	938	352	910	2,812	6,727	1,874	9,100	2,606	9,168	4,695
07-Oct-09	18,324	6,129	19,113	9,225	18,815	5,561	13,629	6,444	693	334	1,111	695	1,165	708	1,755	705	940	2,708	6,425	1,251	8,570	651	1,874	2,380
08-Oct-09	17,161	6,505	17,796	8,440	17,124	6,570	12,891	7,067	483	264	770	555	1,216	962	1,945	844	806	2,497	5,410	666	7,680	1,065	1,409	2,878
11-Nov-09	12,685	10,897	32,919	18,291	10,175	4,917	14,522	6,020	0	0	0	0	1,244	883	2,115	921	750	4,252	7,757	2,374	4,874	1,494	3,192	2,102
12-Nov-09	12,979	9,813	30,667	16,562	12,682	7,265	15,145	6,588	0	0	0	0	1,283	973	1,920	931	741	3,735	6,721	1,913	4,943	1,367	3,138	2,247
13-Nov-09	13,810	6,581	17,383	8,383	13,191	7,705	16,639	6,545	0	0	0	0	1,403	1,154	2,186	1,001	806	3,426	7,093	1,935	5,112	1,453	3,554	2,151
02-Dec-09	14,994	6,392	13,654	8,092	15,286	3,964	9,856	4,499	0	0	0	0	1,268	1,052	2,471	1,052	992	1,608	3,879	1,041	6,187	929	1,869	1,150
03-Dec-09	15,662	7,344	16,086	8,305	15,951	5,524	12,042	4,969	0	0	0	0	1,300	1,052	2,406	980	1,094	2,293	4,545	1,327	6,528	1,075	2,249	1,284
04-Dec-09	15,531	7,277	17,084	9,659	15,810	6,040	11,945	4,801	0	0	0	0	1,365	1,057	2,312	899	1,048	2,772	4,487	1,362	6,471	1,103	2,135	1,137
13-Jan-10	14,117	5,342	14,476	9,108	15,179	4,809	10,632	6,376	4	0	0	0	1,241	1,006	2,481	937	834	302	1,015	595	6,301	1,590	3,273	2,991
14-Jan-10	13,243	5,572	14,362	8,379	14,083	4,998	11,963	6,787	4	0	0	0	1,250	946	2,439	717	642	601	1,311	473	5,902	1,784	4,769	3,924
15-Jan-10	13,060	6,829	14,142	6,087	13,605	5,791	14,736	6,283	4	0	0	0	1,220	860	2,197	590	812	1,680	3,244	793	5,357	1,697	5,181	3,337
24-Feb-10	11,983	9,276	20,465	9,314	11,029	5,569	12,950	5,004	98	16	74	42	838	577	1,425	546	840	2,563	6,010	1,151	3,793	976	2,096	1,311
25-Feb-10	12,527	10,608	22,456	9,609	12,723	6,077	13,410	4,360	110	22	105	66	1,166	811	1,927	637	895	2,779	5,987	861	4,423	936	1,998	908
26-Feb-10	12,687	8,445	17,777	7,181	12,644	5,970	14,348	5,199	111	29	109	74	955	556	1,365	472	873	2,361	5,604	908	4,300	1,299	3,415	1,739
10-Mar-10	12,390	7,641	17,955	6,948	12,908	8,318	16,882	5,753	533	12	101	41	866	466	1,253	417	855	3,405	5,907	836	4,518	2,213	5,029	2,257
11-Mar-10	12,544	8,032	15,687	7,215	12,535	7,414	13,343	4,817	577	72	170	49	1,138	726	1,707	558	826	2,469	4,252	586	4,205	1,628	2,559	1,507
12-Mar-10	13,108	7,477	18,534	7,695	13,584	6,821	13,983	5,023	644	81	183	59	1,222	778	1,977	664	971	2,153	4,917	833	4,367	1,540	2,029	1,309
14-Apr-10	13,028	5,995	16,959	7,504	13,139	5,205	13,468	5,456	990	345	1,353	884	1,381	1,010	2,133	1,024	968	1,944	5,213	713	3,749	677	1,401	949
15-Apr-10	12,964	6,219	18,149	8,484	13,981	5,716	13,533	5,618	1,143	480	1,247	1,135	1,431	1,037	2,218	958	984	2,020	4,943	595	4,315	844	1,716	1,020
16-Apr-10	12,934	6,337	16,787	8,729	14,182	5,698	13,947	5,492	1,219	612	1,173	1,278	1,334	917	2,513	812	902	1,893	5,004	679	4,946	937	2,018	1,073
21-May-10	23,512	6,697	13,305	8,372	16,157	5,203	12,425	4,323	1,114	724	1,939	881	0	0	0	0	1,008	2,147	5,574	610	6,685	1,088	2,182	1,309
22-May-10	30,101	11,395	23,493	12,456	14,442	5,519	12,428	5,079	999	644	1,477	943	0	0	0	0	830	2,489	5,063	622	5,832	1,138	3,149	1,923
23-May-10	27,848	10,304	26,038	10,675	13,757	5,218	12,345	5,329	848	463	1,173	873	0	0	0	0	795	2,511	5,421	838	5,532	1,032	3,088	1,982
16-Jun-10	18,928	7,339	18,461	7,546	19,425	5,931	12,358	5,256	1,214	791	1,784	948	0	0	0	0	888	2,040	4,438	607	8,868	1,397	2,759	1,830
17-Jun-10	17,395	6,735	19,203	7,396	17,422	6,191	12,259	5,070	1,104	1,441	2,380	1,094	0	0	0	0	856	1,842	3,995	465	7,752	1,237	2,615	1,805
18-Jun-10	16,455	6,888	17,265	8,126	15,272	6,292	12,949	5,036	1,069	1,599	2,910	1,175	0	0	0	0	865	2,047	4,457	457	6,751	1,164	2,427	1,658
<b>Max</b>	30,101	11,395	32,919	18,291	19,425	8,318	20,231	8,712	1,219	1,599	2,910	1,751	1,431	1,154	2,513	1,052	1,094	4,252	7,757	2,374	9,100	2,606	9,168	4,695
<b>S/D</b>	4,227	1,611	4,236	2,419	2,128	954	1,951	897	453	401	888	569	508	398	900	360	100	759	1,378	483	1,405	402	1,404	841
<b>95%</b>	22,141	9,995	25,432	12,982	17,819	7,564	16,856	7,059	1,342	1,030	2,420	1,544	1,649	1,218	2,805	1,102	1,022	3,592	7,306	1,700	8,077	1,919	5,180	3,224
<b>Average</b>	15,188	7,345	18,463	9,002	14,318	5,995	13,646	5,583	598	371	958	608	814	564	1,324	509	858	2,344	5,040	906	5,766	1,257	2,871	1,841
<b>Note.</b>	Indicates exceedance of plant capacity prior to completion o the 2008/10 upgrade																							
	Indicates exceedance of contracted limit																							
	Exceedance of the upgraded design capacity of the plant																							
<b>Max07/08</b>	21,549	9,785	31,693	13,809	25,652	9,228	18,848	7,105	1,829	1,385	4,212	1,332	1,474	1,136	2,595	964	1,218	4,537	9,119	1,246	9,790	2,531	5,478	3,323
<b>Max08/09</b>	23,041	12,097	37,400	22,264	21,421	8,047	17,473	7,353	1,372	968	2,942	2,444	1,408	997	2,395	1,035	1,344	3,066	6,302	1,160	9,426	1,671	5,255	3,648
<b>Max09/10</b>	30,101	11,395	32,919	18,291	19,425	8,318	20,231	8,712	1,219	1,599	2,910	1,751	1,											

Contributor analysis 2 Day Average July 2009 to June 2010

Date	NCC				Richmond				Mapua				Airport				Saxton				Wakatu			
	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)	Flow (m3/day)	BOD (kg/day)	COD (kg/day)	SS (kg/day)
<b>Limit</b>	<b>9,700</b>	<b>4,000</b>	<b>8,000</b>	<b>3,950</b>	<b>9,150</b>	<b>2,950</b>	<b>6,455</b>	<b>3,360</b>	<b>2,000</b>	<b>360</b>	<b>820</b>	<b>460</b>	<b>7,506</b>	<b>3,375</b>	<b>6,499</b>	<b>3,249</b>	<b>959</b>	<b>273</b>	<b>724</b>	<b>330</b>	<b>1,235</b>	<b>352</b>	<b>777</b>	<b>371</b>
15-Jul-09	5,604	1,710	3,853	2,024	4,389	1,207	2,522	1,383	371	55	122	48	4,823	1,352	2,966	1,326	730	332	770	613	51	26	117	86
16-Jul-09	5,539	1,848	4,454	2,403	4,325	1,060	2,573	1,254	374	57	119	77	4,750	1,425	3,420	1,662	734	403	952	698	55	20	82	42
17-Jul-09	5,486	2,072	4,916	1,975	4,434	1,045	2,686	1,242	367	73	156	95	4,681	1,800	4,277	1,643	739	240	524	255	66	32	114	78
11-Aug-09	5,407	1,227	3,235	1,497	5,079	863	2,261	1,521	374	83	192	82	4,658	1,003	2,674	1,210	700	213	537	265	50	11	24	22
12-Aug-09	5,325	1,462	3,200	1,373	4,877	877	2,194	1,513	394	86	190	72	4,630	1,199	2,679	1,135	626	197	429	209	70	66	92	29
13-Aug-09	5,334	1,827	4,100	1,585	5,001	1,002	2,196	1,526	383	66	143	56	4,640	1,514	3,381	1,282	617	240	617	277	78	73	102	26
09-Sep-09	6,518	2,124	4,309	1,977	6,761	1,307	2,752	1,576	395	83	166	79	5,730	1,561	3,133	1,468	711	482	963	470	77	81	213	39
10-Sep-09	6,273	1,713	3,869	1,856	6,325	1,534	2,977	1,790	389	66	138	76	5,455	1,255	2,809	1,309	712	387	927	493	107	71	133	54
11-Sep-09	6,132	1,450	3,573	1,723	5,914	824	1,546	952	383	59	125	65	5,262	1,136	2,736	1,290	745	274	748	381	126	40	89	52
06-Oct-09	7,454	1,145	2,780	1,385	8,660	2,557	9,034	4,642	441	49	134	53	6,559	1,016	2,492	1,279	824	114	238	69	72	14	50	37
07-Oct-09	7,448	1,161	2,465	1,414	8,091	584	1,723	2,322	480	67	151	58	6,501	1,008	2,149	1,300	857	137	278	86	90	15	38	28
08-Oct-09	6,940	1,782	3,358	2,124	7,204	991	1,289	2,803	477	74	120	75	6,110	1,576	2,713	1,831	743	192	618	269	87	13	27	23
11-Nov-09	5,609	1,216	2,977	1,636	4,601	1,426	3,037	2,024	273	68	155	77	4,884	1,003	2,370	1,293	663	180	526	288	62	34	81	55
12-Nov-09	5,715	1,190	3,365	1,497	4,602	1,312	3,014	2,186	341	55	124	61	5,068	957	2,806	1,243	587	164	434	183	60	70	125	71
13-Nov-09	5,871	1,671	3,807	1,458	4,753	1,383	3,408	2,081	360	70	146	70	5,177	1,402	3,210	1,191	635	184	456	201	59	85	142	67
02-Dec-09	6,840	1,179	3,577	1,777	5,664	834	1,675	1,050	523	95	194	100	6,133	982	3,064	1,530	675	191	497	234	32	6	16	13
03-Dec-09	7,030	1,104	2,842	1,379	5,999	978	2,066	1,194	529	97	183	90	6,275	972	2,601	1,254	702	123	222	113	53	9	19	12
04-Dec-09	6,926	1,108	3,011	1,402	6,052	1,047	2,026	1,060	420	57	109	77	6,182	986	2,739	1,265	677	111	245	121	67	11	27	16
13-Jan-10	6,800	1,912	3,863	1,852	5,871	1,445	3,015	2,858	430	144	258	134	6,057	1,670	3,274	1,540	656	177	467	256	87	65	122	56
14-Jan-10	6,286	1,667	3,445	1,673	5,462	1,639	4,472	3,778	440	145	297	145	5,575	1,423	2,928	1,425	617	187	399	190	95	57	118	58
15-Jan-10	6,213	1,555	4,114	1,563	4,912	1,529	4,862	3,178	446	167	319	158	5,516	1,294	3,605	1,324	618	216	437	210	79	44	73	29
24-Feb-10	5,460	1,438	3,346	1,953	3,517	892	1,908	1,232	276	84	188	79	4,878	1,037	2,434	1,556	533	383	871	372	50	17	40	25
25-Feb-10	6,130	1,527	3,394	1,888	4,128	826	1,796	826	296	111	203	83	5,471	1,180	2,597	1,500	600	327	751	361	59	20	47	28
26-Feb-10	6,406	1,725	3,855	2,007	4,103	1,229	3,294	1,698	197	71	121	41	5,545	1,303	2,852	1,468	797	402	956	511	65	20	47	29
10-Mar-10	6,136	2,222	4,592	2,202	4,228	2,134	4,879	2,191	290	80	149	66	5,349	1,333	2,910	1,526	724	866	1,623	638	63	24	59	38
11-Mar-10	5,791	2,519	4,655	2,118	3,918	1,526	2,395	1,420	287	102	164	87	5,072	1,319	2,640	1,370	657	1,179	1,965	718	62	21	50	30
12-Mar-10	6,381	2,270	4,877	2,159	4,087	1,459	1,889	1,229	280	81	140	80	5,517	1,289	2,863	1,254	798	958	1,959	870	67	23	54	35
14-Apr-10	6,052	1,229	3,368	1,886	3,475	606	1,242	864	274	71	159	85	5,385	1,027	2,818	1,575	605	185	505	278	62	17	46	33
15-Apr-10	6,109	1,336	3,409	1,910	4,047	780	1,573	950	268	64	143	70	5,393	1,103	2,797	1,552	629	208	548	313	88	25	64	44
16-Apr-10	5,781	1,339	3,238	1,650	4,670	871	1,865	1,006	276	66	153	66	5,076	1,092	2,645	1,321	626	222	531	291	80	25	62	38
21-May-10	7,351	1,244	2,729	1,523	6,403	994	1,985	1,208	283	93	198	100	6,523	956	2,053	1,217	756	263	592	263	72	26	84	43
22-May-10	6,781	1,248	2,739	1,591	5,561	1,064	3,004	1,859	272	74	145	64	6,021	959	2,045	1,229	681	272	648	333	79	17	45	29
23-May-10	6,584	1,211	2,664	1,635	5,245	990	3,013	1,954	287	42	75	28	5,793	960	2,057	1,278	716	238	575	334	75	13	32	23
16-Jun-10	8,455	1,703	3,378	1,872	8,537	1,325	2,608	1,752	331	73	151	78	7,481	1,324	2,534	1,444	883	361	809	407	91	18	35	21
17-Jun-10	7,711	1,670	3,269	1,706	7,431	1,170	2,507	1,740	322	68	108	65	6,816	1,372	2,558	1,356	807	278	673	325	88	20	37	26
18-Jun-10	6,587	1,483	3,155	1,745	6,414	1,096	2,316	1,605	337	68	110	53	5,783	1,304	2,763	1,523	738	164	363	198	66	14	28	25
<b>Max</b>	8,455	2,519	4,916	2,403	8,660	2,557	9,034	4,642	529	167	319	158	7,481	1,800	4,277	1,831	883	1,179	1,965	870	126	85	213	86
<b>S/D</b>	746	367	637	267	1,363	397	1,394	834	80	27	50	26	691	228	448	159	80	234	412	186	18	23	43	18
<b>95%</b>	7,573	2,168	4,597	2,201	7,651	1,832	5,005	3,135	489	124	242	120	6,713	1,600	3,530	1,649	829	691	1,363	641	101	70	142	67
<b>Average</b>	6,346	1,564	3,549	1,762	5,409	1,178	2,711	1,763	357	80	160	78	5,577	1,225	2,794	1,388	697	307	685	336	72	32	70	38
<b>Note.</b>	Indicates exceedance of contracted limit																							
<b>Max07/08</b>	13,692	4,494	6,867	2,588	9,413	2,483	5,368	3,301	426	110	231	95	12,641	4,317	6,524	2,330	916	650	1,444	646	136	21	64	49
<b>Max08/09</b>	9,433	3,344	7,039	2,849	8,979	1,630	5,168	3,607	448	95	220	111	8,423	2,660	5,146	2,271	956	1,546	3,358	1,217	134	83	134	113
<b>Max09/10</b>	8,455	2,519	4,916	2,403	8,660	2,557	9,034	4,642	529	167	319	158	7,481	1,800	4,277	1,831	883	1,179	1,965	870	126	85	213	86
<b>95%07/08</b>	8,334	2,892	5,305	2,236	7,139	1,877	4,262	2,922	408	95	197	92	7,586	2,665	4,746	2,021	712	369	964	397	67	13	32	21
<b>95%08/09</b>	8,232	2,552	5,583	2,454	7,993	1,541	4,225	2,871	432	83	184	93	7,337	1,998	4,192	1,909	872	800	1,860	755	102	40	97	74
<b>95%09/10</b>	7,573	2,168	4,597	2,201	7,651	1,832	5,005	3,135	489	124	242	120	6,713	1,600	3,530	1,649	829	691	1,363	641	101	70	142	67
<b>Ave07/08</b>	5,916	1,719	3,458	1,486	4,885	1,152	2,649	1,681	329	63	132	59	5,320	1,523	2,985	1,278	560	189	457	200	35	7	16	7
<b>Ave08/09</b>	6,516	1,841	4,068	1,870	5,725	1,024	2,693	1,640	346	50	115	56	5,733	1,488	3,225	1,473	720	336	800	376	63	17	42	22
<b>Ave09/10</b>	6,346	1,564	3,549	1,762	5,409	1,178	2,711	1,763	357	80	160	78	5,577	1,225	2,794	1,388	697	307	685	336	72	32	70	38

**Appendix D**  
**Contributor Heavy Metal Results**

**2009-10**

Heavy Metals & Other Substances	Alliance 7/08/2008	ENZA 7/08/2008	Saxtons 7/08/2008	Richmond 7/08/2008	Airport 7/08/2008	Mapua 7/08/2008	NPI 7/08/2008	Wakatu 7/08/2008	Trade Waste Bylaw Limit
Cadmium	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	0.5
Copper	0.1	0.037	0.13	0.046	0.069	0.057	0.067	0.05	5
Nickel	0.004	0.004	0.011	0.004	0.005	0.005	0.025	0.003	5
Zinc	0.27	0.08	0.49	0.07	0.10	0.07	0.36	0.09	5
Chromium	0.007	0.009	0.006	0.004	0.11	0.001	0.036	0.003	5
Lead	0.004	<0.003	<0.003	<0.003	<0.003	<0.003	0.063	0.004	5
Boron	4.6	0.14	0.25	0.08	0.1	<0.05	0.15	0.1	25
Arsenic	<0.01	<0.01	<0.01	<0.01	0.03	<0.01	<0.01	<0.01	1
Fluoride	<0.05	<0.05	0.054	0.063	1.5	0.07	0.062	0.08	5
Sulphide	<b>1.7</b>	<b>1.2</b>	<b>29</b>	<0.2	0.5	<0.2	<0.2	<0.2	1
Sulphates(SO4)	11	58	75	99	78	20	34	28	200
Phenols	0.170	0.020	0.130	0.020	0.050	0.020	0.68	0.040	50
Oil and Grease	10	3	12	12	13	4	31	6	
Mercury	<0.0002	<0.0002	0.0004	<0.0002	<0.0002	<0.0002	<0.0002	<0.0002	0.05
pH	7.2	6.4	6.7	7.7	7.2	7.6	5.2	7.6	
Pesticides									
Cyanide	0.002	<0.001	0.004	0.044	0.003	0.008	0.000	0.068	5



## **Audit Report**

**AUDIT LETTER TO BE INCLUDED**

**AUDIT LETTER TO BE INCLUDED**

**NELSON REGIONAL SEWERAGE BUSINESS UNIT**

**ANNUAL FINANCIAL STATEMENTS**

**For the Year ended 30 June 2010**

## **NELSON REGIONAL SEWERAGE BUSINESS UNIT**

### **Representatives for year ended 30 June 2010**

Representing Tasman District Council  
Cr G Glover  
Cr M Higgins

Representing Nelson City Council  
Cr M Cotton  
Cr D Shaw

Independent Member  
Ms D Hiser (Chair)

### **Principal Administration Office**

C/- Nelson City Council  
110 Trafalgar St  
Nelson

### **Auditor**

Audit New Zealand on behalf of the office of the Auditor-General

### **Bankers**

Westpac New Zealand Ltd  
Queen St  
Richmond

### **Solicitors**

Duncan Cotterill  
197 Bridge St  
Nelson

## **NELSON REGIONAL SEWERAGE BUSINESS UNIT**

**Statement of Accounting policies**  
**For the year ended 30 June 2010**

### **Reporting Entity**

The Nelson Regional Sewerage Business Unit is a Joint Committee of Nelson City Council and Tasman District Council, under Section 48 of the Local Government Act 2002.

The primary purpose of the Nelson Regional Sewerage Business Unit is to manage the treatment facilities and network in a cost efficient and environmentally sustainable manner rather than making a financial return. Accordingly, the Business Unit has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS)

The financial statements of the Business Unit are for the year ended 30 June 2010. The financial statements were authorised for issue by the Board on the 17th September 2010.

### **Basis of Preparation**

#### **Statement of compliance**

The financial statements of the Business Unit have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been consistently applied to all periods presented in the financial statements.

#### **Measurement base**

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land, infrastructural assets and biological assets.

#### **Functional and presentation currency**

The financial statements have been prepared in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Business Unit is New Zealand dollars.

#### **Changes in Accounting Policies**

There have been no changes in accounting policy.

The Business Unit has adopted the following revisions to accounting standards during the year, which only have a presentational effect.

NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (Issued 2004)*. The revised Standard introduces a Statement of Comprehensive Income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Business Unit has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2010 has been restated accordingly. Items of other comprehensive income were previously recognised directly in the statement of changes in equity

#### **Accounting Policies**

The following particular accounting policies which materially affect the measurement of results and financial position have been applied:

##### **a) Revenue**

Revenue is measured at the fair value of consideration received.

##### **b) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

##### **c) Financial Instruments**

The Business Unit is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, receivables, payables and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus or Deficit.

Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

##### **d) Income tax**

As a Joint Committee of Nelson City Council and Tasman District Council the Business Unit is exempt from income tax.

##### **e) Cash and Cash equivalents**

Cash and Cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings as a currently liability in the statement of financial position.

##### **f) Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables.

### **g) Financial Assets**

Investments in bank deposits are measured at fair value.

### **h) Goods and Services Tax**

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of trade receivables and payables, which are stated with GST included.

### **i) Property, Plant and Equipment**

There are three categories of Property, Plant and Equipment:

- Freehold land
- The Infrastructural Network – incorporates pipelines, pump stations, ponds, aerators, clarifiers, odour control unit, power supply and buildings
- Work in Progress

i) Land is reviewed annually and revalued at market value every five years or if there is a material movement. The latest valuation was conducted as at 30 June 2009 by QV Valuations.

ii) Infrastructural assets are valued annually at depreciated replacement cost with assets optimised using least cost alternative by Nelson City Council Engineers as at 30 June 2010. The valuation methodology has been peer reviewed by CPG NZ Limited.

Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services

Depreciation is provided on a straight line basis which will write off the cost/valuation of the assets over their useful lives. The useful lives of the major classes of infrastructural assets have been estimated as follows:

Buildings	50 years
Ponds and Channels	
	not
- earthworks	depreciable
- wave bands, electromechanical	25 years
- pipelines, chambers, aeration basin outfall	50 – 60 years
Aerators	25 years
Power Supply	25 years
Clarifier	
	not
- earthworks	depreciable
- civil works	50 years
- pipes	50 – 60 years
- pumps	10 years
- other	10 – 25 years
Odour Control Unit	10 – 50 years
Pump Stations	
- pumps	15 years
- variable speed drive units	10 years
- pipes and civil works	50 years
- other	25 years



Pipelines	
- pipes	45 – 80 years
- air valves	25 years
Aeration Basin Upgrade	10 years

The Business Unit has implemented an activity management plan for the continuing replacement and refurbishment of components to ensure that conveying, treatment and disposal systems are maintained to provide a satisfactory service on an ongoing basis.

iii) Work in progress is valued at cost of construction. Depreciation is applied at time of commissioning.

#### **j) Biological Assets**

Forestry consisting of 16.8 hectares of which 5.2 hectares is planted on Bells Island adjacent to the ponds is revalued annually by P F Olsen and Company Ltd using the Market Value Method. The latest valuation available is at 30 June 2010. The movement in the Forestry valuation is recorded in the Surplus or Deficit.

#### **k) Revaluation Reserves**

The results of revaluing land and infrastructural assets are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is expensed in the Surplus or Deficit. To the extent that increases in value offset previous decreases debited to the Surplus or Deficit, the increase is credited to the Surplus or Deficit.

#### **l) Statement of Cash Flows**

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Business Unit would invest as part of its day to day cash management.

Operating activities include cash received from participants and all other sources and records the cash payments made for the supply of goods and services.

Investment activities are those activities relating to the acquisition and disposal of non current assets.

Financing activities comprise the change in equity and debt capital structure of the Business Unit.

#### **m) Budget figures**

The budget figures are those approved by the Board at the beginning of the year in the Business Plan. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Board for the preparation of financial statements.

**n) Critical accounting estimates and assumptions**

In preparing these financial statements the Business Unit has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including estimates and expectations of future events that are believed to be reasonable under the circumstances.

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

### Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	Actual 2009/10 \$	Budget 2009/10 \$	Actual 2008/09 \$
<b>Income</b>				
Contributions		6,325,753	5,875,000	6,004,511
Other Recoveries		679,616	178,000	126,881
Interest		1,190	5,000	1,878
<b>Total Income</b>		<b>7,006,559</b>	<b>6,058,000</b>	<b>6,133,270</b>
<b>Less Expenses</b>				
Management		155,135	102,000	107,523
Audit Fees		10,540	10,000	9,750
Members Fees	7	5,000	5,000	8,156
Interest Paid		596,839	1,009,000	589,308
Insurance		14,174	25,000	23,810
Depreciation	5	1,355,175	1,186,000	1,148,240
Electricity		762,066	693,000	651,740
Operations & Maintenance		1,286,329	1,473,000	1,306,507
Monitoring		130,338	184,000	136,145
Consultancy		9,608	50,000	-
Sundry		66,458	62,000	61,627
Forestry Costs		226,805	-	-
Loss/(Gain) in Fair Value of Forestry	6	143,400	(17,000)	34,300
Biosolids Disposal		409,088	402,000	390,285
<b>Total Expenses</b>		<b>5,170,955</b>	<b>5,184,000</b>	<b>4,467,391</b>
<b>Net Surplus</b>		<b>1,835,604</b>	<b>874,000</b>	<b>1,665,879</b>
<b>Other Comprehensive Income</b>				
Revaluation of Fixed Assets		(2,196,242)		4,336,462
<b>Total Comprehensive Income</b>		<b>(360,638)</b>	<b>874,000</b>	<b>6,002,341</b>

### Statement of Changes in Equity For the year ended 30 June 2010

	Notes	Actual 2009/10	Budget 2009/10	Actual 2008/09
<b>Equity at the start of Year</b>		\$	\$	\$
Opening Equity		28,789,659	22,874,000	22,787,318
Plus Total Comprehensive Income		(360,638)	874,000	6,002,341
Less Owners Distribution		961,600		
<b>Equity at the end of Year</b>		<b>27,467,421</b>	<b>23,748,000</b>	<b>28,789,659</b>

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

### Statement of Financial Position as at 30 June 2010

	Notes	Actual 2010 \$	Budget 2010	Actual 2009 \$
<b>Equity</b>				
Retained earnings	1(a)	16,039,645	14,460,000	15,165,641
Contingency reserve		100,000	100,000	100,000
Revaluation reserve	1(b)	11,327,776	9,188,000	13,524,018
<b>Total Equity</b>	1	<u>27,467,421</u>	<u>23,748,000</u>	<u>28,789,659</u>
This was represented by:				
<b>Current Assets</b>				
Cash and cash equivalents		497,134	40,000	113,059
Trade receivables		106,174	1,192,000	223,145
Inter-entity trade receivables	4	-	20,000	278,180
<b>Total Current Assets</b>		<u>603,308</u>	<u>1,252,000</u>	<u>614,384</u>
<b>Current Liabilities</b>				
Trade and other payables		66,213	150,000	54,099
Inter-entity trade payables	4	2,184,278	380,000	1,258,472
Current portion of term loans	2	1,000,000	2,800,000	-
<b>Total Current Liabilities</b>		<u>3,250,491</u>	<u>3,330,000</u>	<u>1,312,571</u>
<b>Net Working Capital</b>		<u>(2,647,183)</u>	<u>(2,078,000)</u>	<u>(698,187)</u>
<b>Non Current Assets</b>				
Property, plant and equipment	5	39,036,304	38,622,000	37,266,146
Forestry assets	6	78,300	324,000	221,700
<b>Total Non Current Assets</b>		<u>39,114,604</u>	<u>38,946,000</u>	<u>37,487,846</u>
<b>Non Current Liabilities</b>				
Term loans	2	9,000,000	13,120,000	8,000,000
<b>Net Assets</b>		<u>27,467,421</u>	<u>23,748,000</u>	<u>28,789,659</u>

For and on behalf of the Nelson Regional Sewerage Business Unit

Chairman

Date

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

Statement of Cash Flows  
For the year ended 30 June 2010

	Notes	2009/10 \$	2008/09 \$
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Receipts from customers		7,400,519	5,966,774
Interest received		1,190	1,878
		<u>7,401,709</u>	<u>5,968,652</u>
Payments to suppliers		(3,033,849)	(2,762,973)
Interest paid		(597,912)	(588,473)
Net GST paid		-	-
		<u>(3,631,761)</u>	<u>(3,351,446)</u>
<b>Net Cash Flows from Operating Activities</b>	3	<u>3,769,948</u>	<u>2,617,206</u>
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(5,385,872)	(2,528,181)
Sale of plant		-	-
<b>Net Cash from Investing Activities</b>		<u>(5,385,872)</u>	<u>(2,528,181)</u>
<b>Financial Activities</b>			
Loan repayment		-	(50,000)
Loan raised		2,000,000	-
<b>Net Cash from Financing Activities</b>		<u>2,000,000</u>	<u>(50,000)</u>
<b>Net Increase/(Decrease) in cash</b>		384,075	39,025
Add Opening Cash and cash equivalents		113,059	74,034
Closing Cash and cash equivalents		<u>497,134</u>	<u>113,059</u>

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2010

	2009/10 \$	2008/09 \$
<b>1 Equity</b>		
The Business Unit is jointly owned by the Nelson City Council and the Tasman District Council.		
<b>1(a) Retained Earnings</b>		
Opening Balance	15,165,641	13,499,762
Net Surplus	1,835,604	1,665,879
Distribution to Owners	(961,600)	
Closing Balance	16,039,645	15,165,641
<b>1(b) Revaluation Reserve</b>		
Opening Balance	13,524,018	9,187,556
Revaluation Movements		
Land revaluation	-	229,000
Infrastructure revaluation	(2,196,242)	4,107,462
Total Revaluation Movement	(2,196,242)	4,336,462
Closing Balance	11,327,776	13,524,018
<b>Balance held as follows:-</b>		
Land	1,679,500	1,679,500
Buildings	150,771	166,939
Sewerage network	9,459,837	11,639,070
Plant & Equipment	37,668	38,509
<b>Total Revaluation Reserve</b>	11,327,776	13,524,018
<b>2 Term Loans</b>		
A \$17m multi-option facility exists that is secured over rates revenue of the Tasman District and Nelson City which expires 30th June 2012.		
Interest rates payable range from 4.28% to 7.25% with a weighted average of 5.78%. (For 2008/09 the range was 7% to 7.325% with a weighted average of 7.13%).		
Total Loans	10,000,000	8,000,000
Less Current Portion	1,000,000	0
Term Portion	9,000,000	8,000,000
1 to 2 years	9,000,000	0
2 to 5 years	0	8,000,000
	9,000,000	8,000,000
<b>3 Reconciliation of Net Surplus with Net Cash Flow from Operating Activities</b>		

Net Surplus	1,835,604	1,665,879
Add back non cash items		
Depreciation	1,355,175	1,148,240
Gain (Loss) in fair value of forestry	143,400	34,300
Valuation of Forest sold	-	-
Owners Distribution	(961,600)	-
Movements in Working Capital		
(Increase)/Decrease in receivables	395,150	36,510
(Increase)/Decrease in fixed asset related payables	64,297	624,590
Increase/(Decrease) in payables	937,921	(892,312)
	<u>3,769,948</u>	<u>2,617,206</u>

#### 4 Transactions for Related Parties

For the year ended 30 June 2010, Nelson Regional Sewerage Business Unit -

	2009/10	2008/09
Purchased the following from:		
Tasman District Council:		
- Treasury Services	7,498	-
- Rates & Water	33,096	41,976
- Consent & Monitoring Fees	12,909	-
Nelson City Council:		
- Management, Engineering Secretarial and Accounting Services	164,922	118,725
- Rates & Water	1,169	1,293
Nelmac		
- Maintenance	910	112
Provide bulk sewage services to:		
- Tasman District Council	2,018,676	1,962,328
- Nelson City Council	2,453,065	2,356,527
At year end the Business Unit owed related parties as follows:		
- Nelson City Council	1,738,946	1,258,472
- Tasman District Council	445,332	-
The following was owed by related parties to the Business Unit for bulk services		
- Tasman District Council	-	278,180

## 5 Property, plant and equipment

	Land	Sewerage Network	Buildings	Plant & Equipment	Total
<b>Valuation / Cost</b>					
Balance June 2008	1,940,000	29,881,076	239,251	55,439	32,115,766
Additions 2009	-	3,152,775	-		3,152,775
Revaluation 2009	229,000	4,067,971	33,971	5,520	4,336,462
Revaluation transfer	-	(2,304,142)	(12,774)	(21,941)	(2,338,857)
Balance June 2009	2,169,000	34,797,680	260,448	39,018	37,266,146
Additions 2010		5,321,576			5,321,576
Revaluation 2010		(2,179,236)	(16,165)	(841)	(2,196,242)
Revaluation transfer		(1,337,623)	(6,898)	(10,656)	(1,355,177)
	<u>2,169,000</u>	<u>36,602,398</u>	<u>237,385</u>	<u>27,521</u>	<u>39,036,304</u>
<b>Accumulated Depreciation</b>					
Balance June 2008	-	1,172,504	6,387	11,723	1,190,614
Depreciation charge 2009	-	1,131,638	6,387	10,218	1,148,243
Revaluation transfer	-	(2,304,142)	(12,774)	(21,941)	(2,338,857)
Balance June 2009	-	-	-	-	-
Depreciation charge 2010		1,337,623	6,898	10,656	1,355,177
Revaluation transfer		(1,337,623)	(6,898)	(10,656)	(1,355,177)
Balance June 2010	-	-	-	-	-
<b>Carrying amounts</b>					
Balance June 2009	2,169,000	34,797,680	260,448	39,018	37,266,146
Balance June 2010	2,169,000	36,602,398	237,385	27,521	39,036,304

## 6 Forestry Assets

The Biological Assets are valued at Market Value. Any movement in the valuation is recorded in the Statement of Comprehensive Income.

	<b>2010</b>	<b>2009</b>
Current Market Value (NZ IFRS)	78,300	221,700
Current increase (decrease) in Market Value	(143,400)	(34,300)

The decrease in 2010 is largely due to the harvesting of 11.6 ha of the forest.

## 7 Members Fees



Remuneration and other benefits paid or due and payable to directors, for services as a members during the year ending 30 June 2010, are as follows:

- Donna Hiser	5,000	7,125
---------------	-------	-------

## 8 Financial Instruments

The Nelson Regional Sewerage Business Unit is party to financial instrument arrangements as part of its every day operations. These financial instruments include accounts receivable, accounts payable, loans and investments.

### a) Credit Risk

Financial instruments which are potentially subject to credit risk consist of bank balances, accounts receivable and short term deposits.

	<u>2010</u>	<u>2009</u>
Bank Balances	497,134	113,059
Accounts Receivable	106,174	501,325
No collateral is held on the above accounts		

### b) Concentration

Concentrations of credit risk with respect to accounts receivable are high, with Nelson City Council, Tasman District Council and three private users as major customers. However, all are considered high credit quality entities.

### c) Currency Risk

Nelson Regional Sewerage Business Unit has no currency risk as any financial instruments it deals with are all in New Zealand dollars.

### d) Interest Rate Risk

The effective interest rates on the Business Units Loans are within the range of 4.28% and 7.25%, with a weighted average rate of 5.78%. (For 2008/09 the range was 7% to 7.325% with a weighted average of 7.13%)

### e) Estimated Fair Value

The fair value of financial instruments is equivalent to their carrying amount in the Statement of Financial Position.

## 9 Statement of Contingent Assets and Contingent Liabilities

The Business Unit has no contingent assets or contingent liabilities as at 30 June 2010. (2009 nil).

## 10 Statement of Commitments

The Business Unit has capital commitments as at 30 June 2010 of \$2,279,538. (2009 \$5,656,487).

## 11 Post Balance Date Events

There are no significant events after Balance date. (2009 Nil).

## 12 Explanation of major variances against budget

Explanations for major variations from the Nelson Regional Sewerage Business Unit's 2009/10 Business Plan are as follows:

#### **Statement of Comprehensive Income**

Total Income is \$949,000 more than budget principally due to contributions being \$451,000 more than budget due to the revaluation at June 2009. Forestry harvest generated income of \$502,000

Total Expenses are \$13,000 less than budget due to \$412,000 less interest being incurred as a result of delays in the Pipeline and Treatment Plant upgrade. Operation and Maintenance expenditure is \$187,000 less than budget due to the delay in commissioning the Primary Clarifier and lower reactive maintenance expenditure. Electricity is \$69,000 more than budget due to price increases and the delay in commissioning the Primary Clarifier. Depreciation is \$169,000 more than budget due to the June 2009 revaluation and there is \$227,000 Forestry harvesting costs.

The net surplus is \$962,000 more than budget due the increased income and the interest savings less the increased depreciation.

The annual revaluation this year is negative as a result of changing the weighting of the indices used to better reflect the components of the infrastructural assets, a review of the components remaining lives and a small negative movement in the indices.

#### **Statement of Financial Position**

Retained earnings have increased \$1,580,000 compared to budget as a result of additional retained earnings over the last two years.

The revaluation reserve has increased by \$2,140,000 compared to budget principally due to increased prices in the 2009 year.

Due to the delays in the upgrade the operating cashflows have been used to fund the capital expenditure rather than increasing borrowings.

Inter-entity trade payables have increased as a result of capital expenditure in June and the Owners Distribution.